



Honorable Marvin Abney
Chairperson, House Committee on Finance
Rhode Island State House

April 13, 2021

Re: An Act Making Appropriations for the Support of the State for the Fiscal Year Ending June 30, 2022(21H 6122 – Article 16 – Relating to Housing

Chairperson Abney,

The undersigned members of the Rhode Island Business Coalition oppose the portion of H 6122, amending Article 16, Section 6 (RIGL 44-25-1 entitled Real Estate Conveyance Tax) to increase the conveyance tax on residential real property when the consideration paid exceeds \$700,000 (the “Proposed Amendment”). The Proposed Amendment would increase the tax rate from .46% to .92%, a 100% increase in the rate of tax payable on the portion of the sale consideration covered by the tax.

Rhode Island’s tax revenues are already significantly higher than the U.S. average. As reported by the Rhode Island Public Expenditure Council, in the most recent year for which data is reported (2018), Rhode Island taxes exceeded the U.S. average by 7.1% when computed on a per capita basis and by 7.6% when computed on the basis of personal income. Progress has been made over the past few years, moving Rhode Island’s business climate from 49th worst to 37th worst in the country. Now is not the time to increase taxes and reverse that hard-won progress.

Rhode Island’s conveyance tax is slightly higher than the conveyance tax imposed by Massachusetts. Rhode Island should not increase the tax by 100%. The General Assembly must hold the line on taxes and find a way to pay for new initiatives by savings found elsewhere in existing State revenues.

We would be happy to discuss our objections at your convenience.

Sincerely,

North Kingstown Chamber of Commerce – Kristin Urbach, President/CEO
Rhode Island Society of Certified Public Accountants – Melissa Travis, President

Rhode Island Association of REALTORS® – Philip Tedesco, CEO
Rhode Island Manufacturers Association – David M. Chenevert, Executive Director
Rhode Island Small Business Economic Summit – Grafton Willey, Tax and Budget Committee Chairman
Rhode Island Lumber and Building Materials Dealers Association – Kirk Ives, Regional Director
NFIB – Christopher Carlozzi, State Director